



## Shelter SA Critical Review

# “Housing Policy Capture and Busy Work in Australia”

By

**Nicole Gurrán and Peter Phibbs**

*Housing Studies, 2015*

In their article in *Housing Policy Capture and Busy Work in Australia, 2015* Nicole Gurrán and Peter Phibbs critically examine the Commonwealth Government’s approach to addressing housing affordability. The article raises two points of concern; the disparity of influence between adverse interest groups, and the nature of the policies both Labour and Liberal governments have implemented when addressing housing affordability. The article reinforces Shelter SA’s view that to effectively address housing affordability it is important to work closely with national peak bodies.

This review intends to summarise key points made by the authors.

### **Interest Groups**

An effective way to analyse federal housing policy is to examine which voices are being heard. The housing policy agenda has been framed by two powerful voices; conservative think-tank and homeowners.

The role of conservative think-tanks in Australian politics has been deliberately understated. Think-tank’s have managed to disguise self-serving interests and present them as public interest. By problematizing systems and procedures, then supplying solutions that further their political interest, think-tanks are able to churn their agenda in public policy. Additional power comes from their ability to access mainstream media and present often uncriticised political commentary as expert opinion.

Homeowners are a less vicious, but larger lobby group. Homeowners draw much of their political sway in two ways. First is from Australia’s underlying nostalgia for homeownership. Second is their voting numbers. Homeowners are generally not collectively politically active, but it is their potential to oppose legislation aimed in any way of devaluing their assets (homes) that grants them their power.

Limited resources and a smaller voting population have resulted in advocates struggling to influence government approaches to the affordability problem in a sustained way.

### **Supply side Interventions**

There are two ways to tackle the housing affordability problem; supply, or demand. Beginning with the Howard government, federal policies have centred around supply side interventions. The ideology of supply side interventions is that by reducing red-tape and increasing incentives to build, the supply of housing in Australia would grow, creating a more affordable market. Supply-sided approaches were also used by the following Labour government through programs like NRAS. In

effect, the policies made it easier for developers and investors to create capital but did little to address housing affordability. The failure of supply side interventions indicates that the problem is not too few homes. Indeed, supply side interventions have led to increased wealth for the wealthy, indicating the overt power held by conservative ideologies in Australian politics. Perhaps it is the demand for housing that needs to be addressed.

### **Demand side interventions**

The investor friendly rules surrounding housing have driven up demand. Tax incentives such as negative gearing and the nature of Capital Gains Tax have led housing to become a prime investment asset, thus driving up demand and, by extension, valuations. Addressing the demand side of housing would be an unpopular move, because it would go against the interests of conservative politics and the interests of homeowners.

### **'Busy work'**

Governments have also used a passive form of action to 'address' housing affordability, known as 'busy work'. Busy work is the actions governments take to effectively do nothing, but to be seen as to be doing something. Busy work includes calling special inquiries, investigations, blaming another level (or previous) government or reframing the problem to realign with the position of key industry sponsors or ideologies. Howard's *'Prime Ministerial Taskforce'* and Rudd's *'Senate Select Committee on Housing Affordability'* are examples of governments symbolically addressing housing affordability.

### **Moving Forward**

The research shows that governments have not always been sincere in their approach to address housing affordability. Gurrans and Phibbs write, 'policy-makers seem determined to avoid seemingly obvious solutions to housing problems'.

Addressing the housing affordability issue cannot be done solely at a state level. The issue goes to federal politics and the Commonwealth government's policy of utilising supply or demand side interventions. For this reason, Shelter SA will continue to work closely with National Shelter. By advocating at a federal level, Shelter SA aims to create positive outcomes for South Australians who cannot afford a safe, secure place to live.